# From Challenge To Opportunity

Manitoba
Industry, Trade
and Tourism

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## Manitoba Industry, Trade & Tourism

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# Manitoba Industry, Trade & Tourism
# From Challenge to Opportunity

The world in which we live is changing more rapidly than ever before. For governments, as for individuals and businesses, it is crucial to keep abreast of these changes, and to adapt to them. The Manitoba Department of Industry, Trade and Tourism is charged with the responsibility of fostering stable economic growth in Manitoba. The dawn of a new decade seems an appropriate time to review the changes taking place in the world, and to consider the Department's strategy for promoting Manitoba's continued development within that changing world. Such a strategy must be focused on two objectives: to meet the challenges, and to take advantage of the opportunities that flow from the changes around us.

## Challenges and Opportunities in the Global Economy

### World Trade is Changing and Expanding

Expanding world trade and the intensification of competition, fuelled by rapidly changing technology, are perhaps the most important developments in the global economy in the latter half of the 20th century. Economic nationalism is being replaced by a more open international economy. World trade and output grew rapidly in the period from 1948 to 1973, at respective rates of 7 and 5 percent annually. While the rate of expansion of world trade slowed in the 1980's, more than 20 percent of world output in goods and services now crosses national boundaries.

The expansion of world trade has been accompanied by significant shifts in trade patterns. We have witnessed rapid technological change, the discovery of new raw material supplies around the world, and intense competition from Pacific Rim countries to sell industrial goods in international markets. In the coming years, we can anticipate the increasing influence of the developing countries and Eastern Europe. All these pose both important challenges and opportunities for Manitoba business.

Large regional trading blocs are emerging which will affect the world trading regime in ways that cannot yet be accurately predicted. Canada and the United States, with their huge volume of trade and Free Trade Agreement, form one such bloc. The European Community

nations are progressively moving toward full economic integration of their markets by 1992, and it now appears that some Eastern European countries may eventually join either the EC or the European Free Trade Association. The Pacific Rim countries have emerged as world economic powers and they may eventually form a more formal trading bloc.

## Demographic Changes have Economic Implications

The trends in international trade competition take on even greater significance when set against population trends. Population projections by the United Nations indicate that the industrial countries will account for only five percent of all births over the next twenty years. Industrial countries are forecast to have zero population growth, a gradually aging population and a steady increase in the ratio of retired people to active people. At the same time, the developing areas are forecast to increase in population by nearly 50 percent, for a net increase of 1.4 billion people. These developments have far-reaching implications for demand, production and world trade.

## Development Must be Sustainable

While economic growth is a prerequisite to achieving the economic and social aspirations of Manitobans, there is growing recognition that economic development policies must be integrated with environmental decisions to ensure the preservation and enhancement of a healthy environment and sustainable resource base. Sustainable development will ensure that the physical environment we hand down to future generations of Manitobans is not compromised by today's economic development. The challenge of embracing the cause of sustainable development brings with it exciting new business opportunities.

## Technology Plays a Critical Role

The attention of economic policy makers is turning more and more to the contribution of technological change to economic growth, the expansion of world trade and the intensification of competition. New technologies provide the flexibility to respond quickly to changes in demand both at home and abroad. Advances in transportation and telecommunications technology have played an important role in shortening the economic distance between countries and stimulating world trade. Some high-valued specialty products can now be ordered and delivered across continents in twenty-four hours.

Given the opportunities offered to all nations by developments in advanced industrial materials, information and telecommunications technology and biotechnology, international

competition promises to become increasingly intense in the 1990's. Technological diffusion to new competitors will pose competitive challenges to more and more industries. Many newly industrializing countries are accelerating the pace at which they adopt state-of-the-art production techniques, to capture not only textile, apparel and footwear markets, but also to enter new markets such as electronics, steel, chemicals and automotive products.

## Efficiency is a Key to Competitive Success

Now more than ever, Manitoba companies must strive to improve their efficiency in order to prosper in an increasingly competitive world. Manitoba has moved to improve the business environment by reducing the impediments to success such as restrictive taxation, over-regulation, and direct government competition with industry.

Canada's national economic policies are also being re-examined in light of the need for improved efficiency and increased international competitiveness. Major policy initiatives such as the signing of the Canada-U.S. Free Trade Agreement and changes to Canada's tax structure are primarily designed to stimulate efficiency in Canadian business.

Improvements to government fiscal and regulatory regimes and the provision of appropriate economic development incentives create a business climate conducive to private sector financing of the technological improvements needed to ensure competitive success.

## Government Resources are Limited

While the call to action has become universal, policy makers are constrained by the fiscal capacity of the federal, provincial and municipal governments, which currently provides little room to manoeuvre. Recurrent deficits and mounting debts place continuous pressure for reductions in spending at all levels of government and Manitoba's economic development efforts must be conducted in a fiscally responsible manner.

## From Challenge to Opportunity

The world market in which Manitoba must compete is becoming increasingly complicated, unpredictable, interdependent and competitive. But the dramatic growth in the number of competitors also means a corresponding increase in potential foreign markets. These markets present opportunities for the export of Manitoba goods and services.

The challenge is to adapt to emerging international interdependence, to accommodate and generate new technologies, and to adjust to a more competitive world economy. All of this must be done in the face of severe government budget constraints, and our efforts must be consistent with renewed health in our natural environment. The challenge is one of change and adaptation. This challenge is faced by all countries and represents one of the most complex problems for modern governments.

Each new challenge brings a new opportunity. Declining trade barriers permit increased exports. Advances in technology create openings for new firms and even new industries. Increasing population in the developing countries expands potential foreign markets for our goods and services. The aging of populations in the developed countries creates the opportunity to develop specialized products, and to market Manitoba's natural advantages as a seniors' travel destination. The need to revitalize the environment creates economic opportunities such as the development of products and services applied to conservation, environmental protection, and enhancement of the environment.

The Department of Industry, Trade and Tourism is responding to emerging global challenges and opportunities with an economic development thrust centred upon four principles of action: capturing new opportunities; building upon our strengths; developing the entrepreneurial spirit; and working together.

## Capitalizing on New Opportunities

"Business-as-usual" is no longer good enough. A firm which relies on producing the same product using the same method, year after year, will eventually lose market share to more dynamic firms which have improved both their product and the means of making it. Similarly, no economy can prosper if it depends on the same companies producing much the same products year in and year out. A healthy economy is one where existing operations are periodically expanded and improved, where many new firms are launched every year, and where new products and services are regularly brought to market.

Innovation is a key. Robust development, renewal and transformation depend on our ability to innovate. Manitoba firms must develop the ability to adapt and develop new technologies to competitive advantage. The Department's overall approach to capitalizing on technological change is to focus on the adoption of new technologies by existing industries and the development of new technology-based companies.

Today's world is also one in which national frontiers are increasingly irrelevant to commerce. As barriers to trade are reduced, competing products are increasingly imported from around the world, while new opportunities in foreign markets are available to be exploited. Many firms cannot expect to prosper merely by continuing to supply the domestic market. They will have to sell in the world market.

The Department helps Manitobans take advantage of new opportunities by supporting the opening of new markets, attracting new investment, promoting and assisting dynamic firms, and encouraging the development and adoption of new technologies:

## Opening Markets

With a population of just a million people, Manitoba has a very small domestic market. In order to achieve the efficiencies that follow from supplying a larger market, many Manitoba firms have to sell their products in other provinces and other countries. Manitoba actively participates in and supports efforts to reduce trade barriers and open markets.

• **Canada-U.S. Free Trade:** The Free Trade Agreement between Canada and the US provides many Manitoba firms with new or expanded opportunities in the huge U.S. market. The Department has sought to help firms take advantage of free trade by holding workshops on the "nuts and bolts" of the Agreement, and publishing a *Guide to Strategic Planning Under Free Trade*. The Department also participates in a federal/provincial committee which oversees the implementation and further negotiation of the Agreement.

• **Uruguay Round of Multilateral Trade Negotiations:** The 100 or so countries which are party to the General Agreement on Tariffs and Trade are presently in the last year of a four year set of negotiations (known as the "Uruguay Round") for a new multilateral trade agreement. Manitoba hopes that this new agreement will open up still further markets around the world for Manitoba products. The Department participates in a federal/provincial committee which monitors the negotiations and provides advice to the Canadian negotiators, thereby promoting the interests of Manitobans. When the new Agreement is concluded (probably in December, 1990), the Department will work to ensure that Manitoba companies are able to take advantage of the new opportunities so created.

• **Interprovincial Trade Barrier Reduction:** Interprovincial trade barriers fragment an already small Canadian market. This discourages business from obtaining the full benefit of the Canadian market as a base for commercial development from which they can efficiently expand into international markets. Manitoba is a strong advocate of reducing the barriers to trade

between provinces, and has recently signed an intergovernmental agreement to lower trade barriers and increase opportunities for Manitoba firms. Despite this progress, significant barriers remain and Manitoba will continue to press for further barrier reduction.

• **Import Substitution:** Before a small firm can begin to tap international markets, it generally has to establish itself in its home market. Thus, the Department works to ensure that Manitoba companies have every opportunity to capture local markets. To a large extent, this is done by promoting the awareness of Manitoba-made products as substitutes for imports. One such effort is Market Opportunities West, a reverse trade show jointly sponsored by the four western provinces and the federal government. The show consists of exhibits of the manufactured products imported by governments and major corporations in the West. Manufacturers thereby learn of market opportunities in their home region. In a similar vein, the Department cooperates with other Manitoba government agencies to help Manitoba firms obtain contracts to supply major projects in the province such as hydroelectric dam construction.

## Attracting New Investment

• **Investment Promotion:** Manitobans themselves account for most of the investment in the province. For the most part, the Department's strategy is to nurture home-grown investors. Nevertheless, it is often possible to attract external investors to the province, and the jobs and other benefits of such investments can be substantial. Other Canadian provinces and the U.S. remain major sources of this external investment, but European and Pacific Rim countries are increasingly important. In large part, this is because the Canada-U.S. Free Trade Agreement provides investors in Manitoba with access to a North America-wide market. When this is combined with Manitoba's many other advantages, such as inexpensive electricity, a skilled labour supply and excellent transportation links, the province is seen to be an attractive investment location by many off-shore investors. To help attract these investors, the Department maintains agents in Hong Kong and Europe. Manitoba's Ottawa Office also assists in this effort.

## Building New Economic Sectors

Like a company faced with changes in competition and markets, Manitoba needs to develop some new lines of business. While the province has always enjoyed a sound and diverse economic base, some of the products and services that we once provided are no longer required, and some of the markets that we traditionally served can no longer be reached competitively. To provide the fresh investments and jobs that we need, we have to develop and provide new products and services to new and emerging markets. A major thrust of the Manitoba

Government is to support strong strategic initiatives to build these new industry sectors. Current initiatives include:

• **Health Industry Development Initiative:** In part because of the increasing average age of the population, industries related to health care are bound to enjoy strong growth in demand for their products in the decades ahead. These products are as diverse as plastic containers, prosthetic devices, blood fractionation products and electronic equipment. Many of them are high value-added products which provide well-paid jobs for skilled workers. The Department actively promotes the development of new investment and employment opportunities in health care products and services. It also seeks to improve quality and productivity in the delivery of health care services. Specific programs include cost-shared feasibility studies, assistance for commercializing technology, and specialized initiatives in biotechnology development.

Under a five-year Canada/Manitoba Development Strategy, the Province is providing one-half the cost of launching the new $20 million Canadian Aging and Rehabilitation Product Development Centre, and has committed a further $10 million to business support projects to help Manitoba firms identify, develop and market new health products. Over the past four years the number of Manitoba firms manufacturing health products has grown from 38 to 63, producing $100 million in output, 80% for shipment beyond the borders of the province. The Canadian Government has committed to locate the $93 million Canadian Disease Control Virology Laboratory and Animal Virology Laboratory in Winnipeg, and has established Canadian Health Telematics, Inc. to capture opportunities that bridge both the health and information/communication sectors.

• **Informatics and Micro-Electronic Technologies:** There is virtually no sector of economic and social activity which has not been affected by the introduction of new information and communications technology. Informatics technology is now the life blood of the world economy. The effectiveness of industry, business and government are all tied to the use of these technologies for the efficient and effective application of capital and human resources.

The need to handle information efficiently has led to the rapid expansion of industries supplying relevant services, software, and computer equipment. The need to communicate massive flows of information has given rise to a huge and increasing investment in communications technology. Since so much information and communication technology is electronic, these three sectors are closely intertwined.

Through the identification and development of strategic partnerships, Manitoba has acquired the best record in attracting the presence of large computer manufacturers in Western

Canada, which is critical to the development of an advanced technology infrastructure. The strength of this sector in Manitoba is demonstrated by the presence of firms such as Unisys, a large producer of computer equipment and Wang, which is establishing a computer imaging research and development centre. With new operations such as the Hughes Acoustic Technology Division being established in the province, prospects for the future are bright.

Developments in the telecommunications sector continue to provide new opportunities for the decentralization of economic activity and the Department is examining prospects for economic development in rural areas through further improvements in telecommunications infrastructure.

• **Aerospace Technology:** Manitoba has a long-established and diverse aerospace industry. Now, the Canadian Space Program provides new opportunities for Manitoba firms to supply each of the four components of the Space Program: the U.S. space station; communications; remote sensing; and space science. The Department, and Manitoba's Ottawa Office, encourage and assist Manitoba industry in the pursuit of Space Program and Defense contract work to maximize the economic and technological benefits to Manitoba and to demonstrate the diverse capabilities of Manitoba's space-related industrial sector. Manitoba's Aerospace Technology Program is also actively pursuing the reactivation of the Churchill Research Range and the Department is supporting the Earth Environment Space Initiative designed to improve our environmental monitoring capabilities from space using technology developed in Western Canada.

The vitality of Manitoba's aerospace sector can be seen in its growth in employment from 2,640 in 1980 to 4,430 in 1990–a 68 percent increase. With a major expansion under way at the Boeing plant in Winnipeg, and excellent prospects for work for Manitoba firms under the Canadian Space Program, this sector has a promising future.

• **Sustainable Development:** A wide consensus has developed recently that our natural environment cannot survive much more abuse. In economic terms, the new rallying cry is "sustainable development", meaning that economic development must be carried on in a way which can be sustained in the long run because it does not cause any net degradation of our air, soil and water. The Department now acts to ensure that we take full account of the environmental impact of economic activities we support.

Sustainable economic development and environmental protection present tremendous opportunities for Manitoba business, especially for those firms willing to take the plunge into greater research and development. We see important growth potential in the province for those

products and services applied to conservation, environment protection, environment enhancement, and environment information. The Department will not only work to foster the efforts of business in these areas, but will also push for greater national cooperation in government funded research and development related to sustainable development. Manitoba is an ideal location for sustainable development work, as evidenced by the decision of the federal government to locate the Centre for Sustainable Development in this province.

## Promoting New Technology

• **Manitoba Research Council:** The MRC is an industry-oriented science and technology agency which plays a lead role in encouraging and facilitating applied scientific research and technological development in the province. The MRC maintains the Canadian Food Products Development Centre in Portage la Prairie, and the Industrial Technology Centre on Niakwa Road in Winnipeg. Through these centres, and through strategic alliances with other organizations such as the University of Manitoba and the National Research Council, the MRC assists industry to acquire and use technology, and to develop innovative products and systems. In 1988/89, the MRC responded to 10,900 client inquiries.

• **Support for University Research:** As advances in technology play an ever more critical role in the economy, it becomes correspondingly important not just to use the new technology, but to play a role in developing it. Support for university research is one important way in which Manitoba can participate in the research that often generates valuable economic spin-offs.

In order to strengthen the participation of Manitoba universities in the National Networks of Centres of Excellence program, the Department will provide financial support for enhanced research and development, and for the development of centres of excellence in the province.

Also, a new $4 million Strategic Health Research and Development Fund has been sponsored by the Province, under the auspices of the Manitoba Health Research Council, to further stimulate industry/university cooperation in the transfer of technology from Manitoba's medical science laboratories to commercial production.

• **Technology Commercialization:** On a world scale, Manitoba companies are generally small. If Manitoba is going to make effective use of technology, much of the progress will necessarily depend on relatively small firms. Unfortunately, there are unique risks associated with new technology that make it difficult for smaller firms to develop and market products incorporating innovative technology. To help firms deal with this risk, the Department provides financial support to eligible entrepreneurs with innovative technological ideas. This program

also supports technology transfer from Manitoba universities to Manitoba business and the development of technology transfer infrastructure in Manitoba. The Department has supported the establishment of the University of Manitoba's Institute for Technological Development which is responsible for building bridges between university research and industry.

## Building on Our Strengths

The challenges which face Manitoba should not be underestimated, but neither should we make the opposite mistake of undervaluing our strengths. Our cultural richness, natural attractions, lack of congestion, relatively clean environment, dynamic urban centres and social services that are among the best in the world, make Manitoba a great place to live and an attractive travel destination.

We have a diversified economy which is strong in agriculture, natural resource extraction, manufacturing and services. Even within these broad sectors there is diversity: our agriculture sector is strong in both crop and livestock production; natural resources include gold, nickel, zinc, copper, fish and forest products; our manufacturing includes products as diverse as clothing, food products, artificial limbs, buses and rockets; and our commercial service sector is strong in transportation and financial services. Such diversity enhances the stability of the economy since declines or stagnation in one sector are usually offset by growth in another.

One of Manitoba's greatest strengths is its people. Our stable and well trained labour force, known for its reliability and productivity, and our skilled business community have combined to develop numerous top calibre companies. Manitobans will continue to be our greatest source of strength in continued economic development.

An important part of the Department's approach to economic development is to build on these existing strengths, in sectors such as manufacturing and tourism.

### Expanding Our Manufacturing Base

• **Sectoral Development:** The development of job-creating investments in Manitoba involves bringing together risk-taking entrepreneurs and promising business opportunities. The Department maintains a staff of professionals in Winnipeg and Brandon, each of whom closely monitors a specific manufacturing sector and related service sectors to uncover emerging opportunities and to identify interested investors. Sectoral Development staff provide an important source of intelligence for potential Manitoba investors and offer valuable assistance

to established Manitoba businesses confronted with adjustment to increased competition. Specific activities include a cost-shared Feasibility Study Assistance Program for potential investors to investigate local manufacturing opportunities. The Department has been involved in the successful development of numerous manufacturing opportunities from the establishment of Canada Guide Rail Corporation in Steinbach and Pinewood Pure Springs in Marchand to the major plant expansions at Boeing, Burns Meats, Willmar Windows and Dominion Malting.

• **Industrial Opportunities:** In support of stable economic growth, the Department, through negotiated agreements, provide financial incentives to Manitoba investors in return for commitments to provide specific industrial benefits. Such agreements have been reached with carefully selected local companies seeking to expand their operations, and with external companies that might otherwise choose not to locate a large industrial project in Manitoba. Dynamic local firms in traditional sectors such as Palliser Furniture in Winnipeg and Carnation Foods in Carberry have grown dramatically with financial support under this Program.

• **Manufacturing Adaptation:** Manitoba companies, both small and large, must update their manufacturing technologies in order to compete in today's economy. The financial and technical risks associated with a change in technology can be particularly burdensome to small firms. To encourage small and medium sized Manitoba manufacturers to update their technology, the Department provides assistance with feasibility studies and loans to acquire advanced technology equipment and technical advice. Through this program, the Department also attempts to create greater awareness of developments in manufacturing technology amongst Manitoba manufacturers. Well-established Manitoba companies, such as Schmidtke Millwork, Heli-Fab and Challenger Sportswear have taken advantage of this program to acquire state-of-the-art equipment to increase their production efficiency and export capabilities.

## Developing Manitoba's Tourism Potential

As vacation travel and disposable income steadily increase, the evolving travel market offers unique opportunities for the development of Manitoba's tourism industry. Manitoba's vast natural environment features thousands of clean, sandy-shored freshwater lakes offering world-class trophy fishing and countless recreational opportunities. Our pristine and varied wilderness also provides the opportunity to create specialty tour packages catering to the naturalist and outdoor market. Polar bear and beluga whale sighting adventure tours to Churchill are examples of successes in this market. The Province's central location offers an ideal venue for meetings and conventions and packaged group tours. The City of Winnipeg frequently plays host to major international conventions and sporting events. Folklorama, Canada's largest ethnic festival, attracts tour groups from across North America. Tourism also provides rural

communities in Manitoba with valuable employment opportunities and diversification of their economic base.

The Department's tourism division, Travel Manitoba, is developing Manitoba's tourism industry through:

• **Tourism Marketing**, designed, through advertising, public relations, direct marketing and tourism information services, to entice more travellers to visit Manitoba and to increase their length of stay. The Department works closely with organizations such as the Native Lodges Association to help market their tourism services;

• **Tourism Development**, which assists the development of new attractions and the expansion of existing operations through the services of trained consultants, and through financial assistance, much of which has been provided by a five-year, $30 million, Canada-Manitoba Tourism Development Agreement. Specific programs to develop both Winnipeg and rural Manitoba attractions and new tourism opportunities such as the development of Native heritage and cultural sites are being investigated; and

• **Tourism Quality Assurance**, which inspects and rates some 900 tourism facilities in the province to ensure customer satisfaction and to provide an additional marketing tool.

## Securing Markets

• **Trade Promotion:** Many Manitoba firms look to external markets to expand their sales. Entering those external markets can be a challenge, especially to smaller firms, so the Department offers several programs designed to assist Manitoba firms to develop new markets for their products. Staff consultants provide expert advice on the sometimes difficult business of selling in foreign markets. Financial assistance is also provided on a cost-shared basis to help Manitoba companies develop marketing plans, and participate in trade fairs or trade missions to external markets.

• **Supplying Government:** Total purchases of goods and services by all levels of government in Canada are estimated to exceed $90 billion. Manitoba has established an office in Ottawa to assist Manitoba companies to obtain federal government contracts. This office will ensure that Manitoba companies can take maximum advantage of federal government programs such as the Western Procurement Initiative, which seeks to increase federal procurement in the western provinces, and the Canadian Space Program. The Department also participates in the

Western Procurement Information Network, which provides current information to Manitoba firms about opportunities to supply goods and services to governments in the four western provinces.

## Developing Entrepreneurs and Small Business

Economic development is a process where human, natural and capital resources are brought together with technology to produce goods and services. The effort to bring these things together and create a viable business enterprise is called entrepreneurship. Without it, the other elements, however abundant, remain idle.

While investors from outside Manitoba have made some important contributions to Manitoba's development, most of the businesses in Manitoba have been established and built up by Manitoba entrepreneurs. Perhaps the surest way to promote the economic development of this province is to promote the entrepreneurship of Manitobans.

In part, the Manitoba government seeks to promote entrepreneurship by creating a favourable investment climate. For example, the government intends to hold the line on tax increases and, as the budget situation permits, to reduce taxes. Already, the scope of the payroll tax has been greatly narrowed and personal income taxes have been reduced.

The major role that small business and its entrepreneurs play in the economic development of Manitoba is recognized annually through Small Business Week, an event which is co-sponsored by the Department, the Federal Business Development Bank and the Winnipeg and Manitoba Chambers of Commerce.

The Department itself assists entrepreneurs and small business by providing information, training and counselling through its Business Resource Centre, and by improving access to venture capital. Special efforts are made to assist entrepreneurs in special circumstances, such as Natives, women and rural Manitobans.

### Skills Development

• **Business Information:** Someone starting a small business will invariably find that what they need most is information: how is a business plan prepared; what are the sources of financing; what are the different forms of business organization; what are the relevant government regulations, etc. The Business Resource Centre (BRC) provides a wealth of business

information including self-help management guides, information books, and reference materials. Many items are available free of charge, while many more may be perused at, or borrowed from, the Business Reference Library, which is well-stocked with periodicals, books, reference works, data bases and videos which are useful to business people. Thousands of Manitobans avail themselves of the business advisory services of the BRC each year. In 1989, over 1,600 Manitobans also enroled in one of 97 business skills training courses offered by the BRC.

• **Training and Counselling Assistance for Entrepreneurs:** The BRC develops and delivers a range of business resources and seminars to improve entrepreneurial and small business management skills. Professionals in the Department provide general business counselling, while the Department-supported Manitoba Marketing Network utilizes the skills of experienced entrepreneurs who provide personalized marketing advice on a non-profit, volunteer basis.

The Rural Business Counselling Program addresses the concerns of entrepreneurs in rural Manitoba and the Department works closely with other groups such as the Canadian Council of Native Businesses, the Community Business Initiative and the Core Area Initiative to meet the special needs of other specific groups.

A further service provides trained MBA students at a reasonable fee to undertake consulting projects with respect to marketing, accounting or production for small-to medium-sized Manitoba firms. The Department also encourages the continued contribution of locally-trained business students by providing financial assistance to the Faculty of Management at the University of Manitoba in support of the Faculty's long-term development plans to improve and expand its range of programs and services.

• **Women's Entrepreneurship:** Women have accounted for the strongest source of growth in our labour force and business community in recent years. The Department promotes entrepreneurship as an economic alternative to more traditional career choices for women by helping women business owners access existing provincial programs and services. Business information, seminars and counselling are provided to both individuals and community organizations through the BRC.

## Improving Access to Capital

• **Vision Capital Fund:** In addition to developing entrepreneurial spirit, Manitoba recognizes the constraints faced by many entrepreneurs in obtaining adequate supplies of venture capital. The entrepreneur is often faced with having to personally provide a high proportion of necessary financial resources which can prove prohibitive for the younger, and

often more innovative, entrepreneur. To ensure an adequate supply of venture capital funds in Manitoba, the Department has established the Vision Capital Fund. The Vision Capital Fund is a Manitoba-based and operated venture capital organization established through a participating loan arrangement through which the Department can provide up to a maximum of $30 million. Through a private sector Advisory Board, the Fund is designed to provide venture and growth capital for innovative new companies and expanding mid-sized Manitoba companies.

• **Business Start Program:** A growing number of women and rural residents are seeking new opportunities in Manitoba's small business sector. To encourage continued growth in rural and women's entrepreneurship, the Department has launched a Business Start Program. This program promotes the success of new business start-ups by ensuring that entrepreneurs have fully researched their ideas by means of a comprehensive business plan; by offering business training and counselling; and by providing access to funding through a loan guarantee. A goal of 60 percent of the loan guarantees has been set for women and rural entrepreneurs.

• **Immigrant Investor Program:** With the prospect of little domestic population growth and shifting world populations, Canada is now looking to other countries for new sources of investment capital and has established an Immigrant Investor Program which offers potential entrepreneurial immigrants expedited immigration to Canada in return for designated investments. This program can be accessed by privately administered investment syndicates which the Department plays an integral role in encouraging in Manitoba. Over the past two years, in excess of $30 million of investment in Manitoba has been encouraged through this program.

## Working Together

Manitoba recognizes that there are a number of key players encouraging economic development in the province. Various levels of government, organized private sector groups, the academic community and the general public all have important roles to play in promoting the growth of our economy. The Department works together with all of these groups to promote new initiatives which require joint action, co-ordinated delivery, or public feedback. Activities include:

• **Private Sector Consultations:** In order to effectively meet the challenges of diminishing financial resources and increasing global competition, all of the stakeholders must be involved. This includes governments at all levels, business, labour and the public at large. Manitoba is

committed to the processes of consultation and interaction on economic development matters. The Department regularly consults with a broad range of groups to ensure a co-ordinated approach to achieving long-term goals.

• **Federal/Provincial Cooperation:** In a federal system such as Canada's, it is vital for different levels of government to co-operate closely to maximize the benefits of our scarce resources, and to ensure that we are not working at cross purposes. Strong efforts are required to ensure that Manitoba's interests are reflected in national policies. The Department maintains close links with relevant federal departments and agencies such as Western Diversification, International Trade, and Industry, Science & Technology through regular meetings at both the Ministerial and officials' levels. In addition to sharing information, Manitoba participates in cost-shared programs such as the Canada/Manitoba Tourism Development Agreement and the Canada/Manitoba Health Industries Development Agreement.

• **Inter/Provincial Cooperation:** It is also important for provincial governments to co-operate with each other. On such matters as interprovincial trade barrier reduction, developing positions on the Multilateral Trade Negotiations, and promoting science and technology, the Department has worked, at the Ministerial and officials' levels, with all the provinces, and especially with the other three western provinces. Our joint efforts are concerned both with issues of a provincial nature (such as trade barrier reduction) and with developing strong and united positions to take to the federal government (on matters such as international trade negotiations).

• **Province/State Cooperation:** The implementation of the Canada-U.S. Free Trade Agreement provides an opportunity for Manitoba to expand its regional influence and strengthen its relationship with U.S. states which share our interests. Manitoba's economic cooperation agreements involving Minnesota, North Dakota and Kansas have spurred joint activity in the areas of trade, investment promotion, tourism, the environment, and health industries. Manitoba and Minnesota have participated in joint missions to promote trade, tourism and investment. The Department sponsors trade missions from Manitoba to North Dakota, Minnesota and Kansas, and assists returning trade missions. As a result of shared concerns for the environment, Manitoba and Kansas participate in events such as the Globe 90 exposition in Vancouver on sustainable development.

## Future Directions

• **Preparing for Change:** It has been emphasized above that business must take action to keep abreast of rapid changes in the local, national and world economies. The same applies to government. Thus, the Department continuously monitors the economic environment in Manitoba and beyond our borders. We are concerned not only with the level of economic activity, but with developments and trends which may influence the relative success of different economic sectors, or different ways of doing business. In response, we attempt to adjust our own policies and programs so they will best serve the cause of economic development in Manitoba.

• **Sharing Our Vision:** The Department of Industry, Trade and Tourism seeks to maintain and strengthen Manitoba as a secure and stable place to live through forward-looking plans and strategies for providing new and enhanced employment opportunities. The Department strives to anticipate and turn to advantage changing economic circumstances.

Manitoba must continue to build on its traditional strengths but it must also develop new comparative advantages through knowledge and innovation. Growth will come from within based upon the strength of people working together in a common cause.

Our economic strategy for the '90's demands more than a cooperative partnership between government, business and industry. The Department views it as a broad "joint venture" requiring the active and enthusiastic participation of all Manitobans with a shared vision on future economic progress in this Province.

June, 1990